GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:349
ANSWERED ON:05.02.2004
MISUSE OF LPG CYLINDERS BY DEALERS
RATNA SINGH

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government is aware that domestic LPG cylinders are used at commercial places in connivance with the LPG dealers in the country;

(b) if so, whether the particulars of LPG distributors found diverting domestic LPG cylinders for commercial use were published in the newspapers for the information of general public in various cities;

(c) if not, the reasons therefor; and

(d) the action taken against the guilty distributors and the number of cases in which LPG agencies were cancelled during the last three years?

Answer

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.349 TO BE ANSWERED ON 05.02.2004.

(a): Some incidents of diversion of domestic LPG cylinders for commercial purposes in various markets have come to the notice of the Government. Following measures have been taken to prevent the diversion of domestic LPG cylinders for commercial purposes:-

(i) Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000 under the Essential Commodities Act, 1955 has been promulgated. As per this Order, diversion of domestic LPG cylinders for commercial purposes by the distributors of Public Sector Oil Marketing Companies (OMCs) is prohibited. Such offence is punishable with imprisonment from 3 months to 7 years under the Essential Commodities Act.

(ii) State Governments are empowered to take action against the erring distributors under the provisions of the above Order.

(iii) Marketing Discipline Guidelines (MDG) for LPG distributors of OMCs have been laid down by the Government in April, 2001. According to this guidelines, in case of establishment of any diversion of domestic LPG cylinders for commercial purposes, the following action against the distributor is taken:-

(a) fine of Rs.20,000 plus the price of LPG diverted at commercial rates for the 1st offence.

(b) fine of Rs.50,000 plus the price of LPG diverted at commercial rates for the 2nd offence, and

(c) Termination of the distributorships for the 3rd offence.

(iv) The officials of OMCs carry out random checks at distributor`s godown, delivery point aswell as enroute to ensure that no diversion takes place. Action against the erring distributor is taken in terms of MDG and ? or Distributorship Agreement.

(b) to (d): The action taken against LPG distributors are not published in newspapers as the matter is primarily between the distributor and the corporation. OMCs have found irregularities of diversion of domestic LPG cylinders in respect of 628 LPG distributorships throughout the country during the last three years and action has been taken against all these erring distributors in terms of the provisions of MDG. However, none of the distributorships was terminated on account of diversion of domestic cylinders for commercial purposes during the last three years.